France: A Late-Comer to Government-Nonprofit Partnership

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Funding Statement: This article was prepared within the framework of a subsidy granted to the National Research University Higher School of Economics, Russian Federation by the Government of the Russian Federation for the implementation of the Global Competitiveness Program.

Conflict of Interest Statement: The author declares that there is no conflict of interest.

This paper is part of the Special Issue

Unlikely Partners?

Evolving Government-Nonprofit Relationships, East and West

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Abstract

This article puts the current cooperative pattern of state-nonprofit relations in France into historical context against the country's statist past and suggests the implications this experience may have for other countries that share the statist background that France, perhaps in somewhat different form, also embodies. To do so, the discussion first reviews the current shape of the French nonprofit sector and the substantial scope and structure of government support of nonprofit human service delivery that exists. It then examines the unfavorable historical background out of which the current arrangements emerged and the set of changes that ultimately led to the existing pattern of extensive government-nonprofit cooperation. Against this background, a third section then looks more closely at the tools of action French governments are bringing to bear in their relations with nonprofits, the advantages and drawbacks of each, and the nonprofit role in the formulation of public policies. Finally, the article examines the key challenges in government-nonprofit cooperation in the provision of human services and the lessons the French experience might hold for Russia and other similar countries.

Key Words

nonprofit organizations, welfare mix, statism, decentralization, human services

<H1>Introduction

The French nonprofit sector is large and growing. The number of nonprofit organizations in

2012 was about 1.3 million, operating mainly in two unequal legal statuses: 1,300,000 associations, and less than 2000 independent foundations. Most of the associations are grassroots organizations run by volunteers, spread all over France in a living social network. Nevertheless, the 160,000 nonprofit organizations managed by paid staff still make the French nonprofit sector a major employer, with 10% of private employment and 7.5% of the country's total full-time employment (7.2% in associations and 0.3% in foundations). In addition, employment grew twice as fast in the nonprofit sector than in the business and public sectors during the last three decades (INSEE-CLAP 2012; Tchernonog 2013; De Laurens 2013; Archambault et. al. 2014).

Remarkably, but not well recognized, the emergence of this sizable nonprofit sector is a relatively recent development in France, the product of a dramatic shift in government policies initiated by the left-leaning government of Francois Mitterrand in the early 1980s. These policies led to a significant decentralization of governmental responsibilities, particularly in the human service field, and a widespread pattern of local or regional government contracting with private nonprofit organizations.[b]

Prior to this, and certainly prior to the 1960s, France was characterized by a strong statist tradition dating back at least to the 1789 Revolution. Under this tradition, nonprofit organizations were at first outlawed, and subsequently discouraged, as the embodiments of partial interests at odds with the general interest represented by the democratic state. Consistent with this tradition, social welfare services were considered to be the responsibility of the state alone and nonprofit institutions were relegated to a secondary position at best.

The purpose of this article is to put the current pattern of state-nonprofit relations in France into historical context and to suggest the implications this experience may have for other countries that share the statist background that France—perhaps in somewhat different form—also embodies. To do so, the discussion first reviews the current shape of the French nonprofit

sector and the scope and structure of government support of nonprofit human service delivery in France. We then examine the unfavorable historical background out of which the current arrangements emerged and the set of changes that ultimately led to the existing pattern of extensive government-nonprofit cooperation in France. Against this background, a third section will then look more closely at the tools of action French governments are bringing to bear in their relations with nonprofits, and the advantages and drawbacks each involves. Also of interest here will be the nonprofit role in the formulation of public policies. Finally we examine the key challenges in government-nonprofit cooperation in the provision of human services and conclude with an outline of the features France may share with Russia.

<H1>The Current Situation: The Scope and Structure of Government Support of Nonprofit Human Service Delivery in France

<H2>Overview

As outlined in Table I, with 913,000 employees (746,000 FTE), social services is by far the main component of the nonprofit sector in France (INSEE-CLAP 2012).

<<<<Table I goes about here>>>>

As shown in Table II, he nonprofit sector is also the main provider of social services, with 62% of employment, putting it ahead of the public sector (28%) and the business sector (10%) (CNCRES 2014). Other nonprofit providers of human services follow far behind: health and education organizations are mainly public, with nonprofit employment in these two fields accounting for only 11% and 18% of total employment, respectively[c] (INSEE-CLAP 2012).

<<<<Table II goes about here>>>>

The following subsections examine the relative roles and financing of the nonprofit sector in each of these components of the human service delivery system in a bit more detail, with a special focus on the interaction between the nonprofit sector and government at various levels.

<H2>Education and Research

Primary and secondary educationis mainly public, except for the 18% of its employment that is in nonprofit schools. Associations under the direction of the Catholic Church run 96% of these private nonprofit schools; the balance are Jewish or secular. The nonprofit schools are linked with the government by a contract (*contrat d'association*) according to which the state checks the qualifications of the teachers and pays them completely while local governments pay the administrative staff and for the maintenance of the schools. The schools have to accept every child regardless of his or her religion, but can expel some of them—they must follow the same programs as the public schools—but their staff choose the teachers and the pedagogy. One pupil out of five attends a private nonprofit school, but more in the Western part of France. As the comparative data of the French Ministry of Education show (Ministère de l'éducation nationale 2013) the results of the nonprofit schools are on average better than those of the public schools now (but that was not the case 20 years ago). This is due partly to their attraction of middle-class children while public schools have a higher proportion of immigrants and lower-class children, and partly to their smaller size and more innovative pedagogy. Recently, some for-profit enterprises were created to follow up on pupils in difficulty.

Tertiary education is public or quasi-public. Nearly all universities are public, though they have gained increased autonomy over the last decade, but this autonomy is relative and they do not control their resources—nearly 100% of which come from public funding. Public universities are nearly free of charge. Business schools and a few engineering schools are run

by the Chambers of Commerce, which are quasi-public organizations. Standard businesses entered recently into the field of tertiary education to prepare students for the most difficult competitive exams and the selective courses of study, but they represent a tiny part of the field. Given the high level of public funding in education, the fees are very low in nonprofit primary and secondary schools (US$150-900 per year) and higher in tertiary education (US$4000 to $8000 in business and engineering schools) but lower than in the USA. The origin of income of private nonprofit education—grants only, according to the number of pupils or students—is shown in Table III.

<<<<Table III goes about here>>>>

Secondary education is the main part of the nonprofit sector in education with 16% of the expense for education at that level, while primary and tertiary education represent less than 10% of the public funding of education. Table III shows that the national government is the main funder by far at the two first levels, replaced by the Chambers of commerce for tertiary education. The regions, departments and municipalities are also growing funders in the last decade, during which we can observe a slight retrenchment on the part of the national state.

In addition, and at the crossroads of education and culture, many quasi-school associations supply music, dance, performing arts, sports, and other initiations to culture to the students inside or outside the schools. They are partly funded by the municipalities and partly by households. It is the same for adult education. The nonprofits specializing in vocational or on-the-job training are funded through a dedicated tax *(taxe de formation professionnelle)* paid mainly by the enterprises that benefit from the training of their employees.

<H2>Culture, Arts, and Performances

A kind of division of labor is in place for the provision of arts, live performances, and other

services of culture among the government at all levels, for-profit companies, and the nonprofit sector. The state and the local governments are in charge of the preservation of the historical monuments, and they run the largest museums, libraries, theatres, and concert halls either directly or through nonprofit organizations. The for-profit sector delivers entertainment and the most popular performances, such as concerts for the youth or *bourgeois* theatre. The nonprofit sector is specialized in the democratization of high level culture to youth, often in partnership with schools, and to adults as well. It also runs small museums, libraries of local interest, and cinema-clubs as well and multi-purpose culture and arts facilities owned by the government, such as the *Maisons des Jeunes et de la Culture* or *Maisons de la Culture*. The income of nonprofit culture organizations comes almost 52% from earned income (membership dues, sales of tickets, etc.), 4% from corporate giving, and 44% from public funding, mainly by the central government, the regions and the municipalities (Tchernonog 2013, p. 170).

<H2> Health

At the heart of the welfare state, the delivery of health services is more mixed than education. Hospitals are mainly public and two smaller parts are nonprofit or businesses, as shown in Table IV, but these two parts are declining.

<<<<Table IV goes about here>>>>

Public and nonprofit hospitals are free of charge and paid directly by the French social security system according to their activity. Private clinics are mainly funded by social security as a third party, but the patient has to pay a more or less important part according the clinic's comforts, the fame of the doctors, and so on.

Conversely, doctors and other professionals delivering health services outside the hospitals are paid, at least initially, by their patients; they are mainly private, self-employed individuals

or they work in small standard enterprises, but they are highly regulated by the state and the social security system, which mainly reimburse their patients. Nonprofit hospitals and other human health activities represent 11% of the total delivery of health services. Nonprofit organizations are particularly active in the fields of cancer, rehabilitation of every kind of handicap, and drug and alcohol addiction treatment. All these specialties are labor-intensive.

Table V shows the structure of total funding of health services in France; it is not very different for the public or private sector, and inside the private sector the nonprofit part is not isolated. The compulsory health insurance of the social security system is by far the main funder, followed by nonprofit mutuals and other nonprofit insuranceand then by the patient's household. Commercial insurance corporations play a small but growing role. The state pays for the long-term unemployed or irregular immigrants not protected by the social security health insurance.

<<<<Table V goes about here>>>>

<**H2**>Social Services

The delivery of social services is the realm of mixed welfare and interdependence between state, local governments, and social security, which pay for the services and control them, and nonprofit organizations, which provide the bulk of the actual delivery of services.

There is a kind of division of labor in the provision of social services: the government gives money benefits to some parts of the population and provides basic and standard services to the whole population, such as information on existing social services. It also delivers the services linked to the standard governmental functions of police and justice, such as running establishments for pre-delinquents or juvenile delinquents, though in the last decade the management of these establishments was partly contracted out to nonprofit organizations. The

nonprofit sector is in charge of services requiring labor-intensive follow-up, such as social work activities without accommodation (SWAWA) intended for long-term unemployed, frail persons, or minority groups. Nonprofit organizations run residential care for the mentally or physically disabled, the homeless and other persons in a situation of social exclusion, and, to a smaller extent, for the frail elderly. The business sector targets the high-income groups, mostly in elderly care, but its involvement in the social services field is lower than in health services. As noted above, the nonprofit sector is the major provider of social services. Table VI shows the picture at the subfield level.

<<<<Table VI goes about here>>>>

Except for home care and sheltered workshops for the disabled, the size of nonprofit establishments is smaller than the size of the public ones and therefore they are friendlier and less bureaucratic. In the subfields of services for people with disabilities, nonprofit organizations hold a quasi-monopoly, with well over 80 percent of the establishments and sizable majorities of the employees.

Public funding accounts for 61% of the resources of nonprofit organizations in the health and social service fields, as shown in Table VII.

<<<<Table VII goes about here>>>>

To summarize, the situation with regard to the nonprofit delivery of social services currently is similar to the one in place more than fifteen years ago as the following quotation from a prior study makes clear (*additions in italics to update empirical data*):

> "The field of social services is characterized in France by a mixed structure, which has favored the enormous growth in this field of the third sector. The Johns Hopkins Comparative Project has shown that "social services"… is by far the major area of nonprofit involvement, in spite of the sustained expansion of governmental provision. In 1990, this field accounted for 38.5 percent of total third sector employment employing

about 300,000 wage earners (*47 percent and 910,000 employees in 2011*). Nonprofit employment in this field dominates employment in the area of social services 58 per cent of total employment (*and 62 percent in 2011*) and has almost doubled since 1980 (*tripled since 1990*) (Archambault and Boumendil 2002, p.109)."

<H2>Summary: The Relative Position of the Nonprofit Sector in Human Service Delivery

As a conclusion to the description of the mixed provision of human services in France, Table II above summarizes the relative positions of nonprofit organizations, for-profit companies, and government agencies at all levels in the delivery of various types of services, and in the economy as a whole.

As this table shows, with 7.5% of overall French employment, the French nonprofit sector accounts for 62% of employment in social services, 27% of employment in culture and arts, and 19% of employment in education. To be sure, government agencies retain the lion's share of both delivery and finance in the fields of education and health, but a powerful mixed economy has emerged in the other two fields—and particularly so in the field of social services—where a strong pattern of government-nonprofit cooperation has emerged. Therefore, the following parts of this chapter will focus particularly on this social services field, where the government-nonprofit partnership is most clearly in evidence. The next part shows how this government-nonprofit relationship evolved historically.

<H1> Historical Background of the Welfare Mix

The French nonprofit sector dates back to the Middle Ages with two pillars: the hospitals, asylums, schools, and other charities run by the Catholic Church and its congregations; and the

more urban and secular network of guilds and brotherhoods organizing craftsmen and their employees. These two origins of nonprofit organizations can be found in most European countries (Salamon and Anheier 1996). But while the French Monarchy unified the nation early by joining regions through wars and marriages, many other European countries unified later; this is why France was and still is, despite two Decentralization Acts in 1983 and 2003, a centralized state while its European neighbors are really decentralized countries where most of the decisions on education, social, and cultural fields are the responsibility of local governments. This section outlines the main turning points of the history of the French nonprofit sector and highlights two trends that have strongly influenced its development: on the one hand, the systematic restrictions on nonprofit organizations imposed by a centralized and interventionist state in the wake of the French Revolution; and, on the other hand, the progressive secularization of the nonprofit sector in an old Catholic country.

<H2>The French Revolution (1789-1799): A Great Break in the History of the Nonprofit Sector

Before 1789, the French kings fought any form of local power or religious minorities, such as Protestants and Jews. The kingdom of France adopted Catholicism as the state religion. The Church was the main provider of human services. Parishes and congregations were at the origin of the charities: relief to the poor families and orphan defense and support; sick and elderly person care; and schools and other education institutions. In addition, in the urban areas, the guilds and the brotherhoods gave a beginning of social protection to the craftsmen and their employees.

The French Revolution is the great break in the history of the nonprofit sector. The new Republic, inspired by the philosopher Rousseau's *Contrat social*, elevated the general interest

represented by the democratic state and was hostile to partial interests represented by any form of association. Therefore, the Republic fought the *Ancient Regime* nonprofitsector's two pillars: firstly, it took issue with the guilds (and the brotherhoods, their social and religious subsidiaries), as brakes to free enterprise and fair competition. Reflecting this, in 1791 the guilds were outlawed with this rationale: "No one shall be allowed to arouse in any citizen any kind of intermediate interest and to separate him from the public weal through the medium of so-called common interests" (Archambault 1997). Later, the struggle of the anticlerical Republic against the Church, suspect of interfering in politics in favor of the Monarchy, had important consequences for their charitable organizations—hospitals and schools mainly—which were either closed or nationalized while the Church's property and real estate were seized. Instead, the government stated that the welfare of the population was the government's responsibility, but this principle would not be effectively implemented for 150 years.

<H2> The Second Turning Point: The Liberal Laws at the End of the 19th Century

During the 19th century successive governments authorized some nonprofit organizations, if they agreed with government policy, and some mutual societies to alleviate the poverty of the urban working class, but they fought against the emerging labor movement, the opposition's political clubs, and some authorized charitable organizations that were thought to hide the forbidden labor unions or political opposition.

The liberal laws in the last years of the 19th century were the end of these restrictions to the freedom of association: labor unions were authorized in 1884; mutual societies in 1898; and all types of associations in 1901. The 1901 Law is the consecration of the freedom of association and the legal framework for most associations nowadays.[d] It defines an association as a "contract according to which two or more individuals permanently pool knowledge or activity

with an aim other than sharing profits." When it has been created, an association may be declared. Undeclared associations have no legal rights. Declared associations have only limited legal rights—they are not allowed to own real estate except for their operation or to receive legacies. The aim of this limited legal capacity was to prevent the Church from passing off parishes or congregations as associations. "State-approved" associations—fewer than 2000 today, but the largest ones—have a full legal capacity and can own real estate and receive legacies. They have to be acknowledged by the *Conseil d'Etat*[e] after a rather long and restrictive procedure.

The beginning of the 20th century thus marked a turning point: the nonprofit sector was no longer illegal, though foundations had no specific legal status. However, the growth of the nonprofit sector was very slow during the two World Wars and the inter-war period despite the fact that it was very easy and costless to create an association. And no government-nonprofit partnership appeared in this first half of the century despite the beginning, in the 1930s, of a corporatist social security system inspired by the German one.

<H2>The Beginning of a Partnership Between the Central Government and the Nonprofit Sector After The Second World War

The welfare state really emerged after WWII, in the 1945−1955 period of reconstruction. A new social security system, extended step by step to the whole population, covered the main social risks: sickness, old age, family burden, and unemployment. Social security delivered social benefits but no social services supplied partially by the central and local governments. However, the state began to support by grants and third party-payments private catholic schools[f] and nonprofit organizations delivering services to the disabled, the poor, and the elderly, and to child day care under a regulation system described below.

The Church-based organizations progressively ceased to run welfare establishments or services directly and the state or associations replaced them. This secularization trend began during the French Revolution and ended by the mid-20th century. In previously Catholic welfare establishments, paid staff replaced volunteer nuns. This is why the French nonprofit sector is secular, except for Catholic schools, contrasting with the pillarization system of its Northern neighbors (Salamon et.al. 1999).

After the post-war period of reconstruction, the nonprofit sector entered a boom period. In the 1950s, this associative boom was mainly the outcome of the effort of health or social service organizations born in the interwar period to achieve for physically and mentally handicapped civilian persons the same benefits as were provided for disabled veterans. These organizations then became the providers of the quasi-totality of welfare services and residential care facilities when the government began to support them financially.

During the 1960s new demands led to new opportunities for nonprofit development. Thus, for example, the rise of working women created new needs for child care that the government could not meet alone, and new forms of child daycare were proposed by associated parents. Other nonprofits enhancing the democratization of culture were encouraged by the government as well as multipurpose associations disseminating high culture in a popular way to those who missed this opportunity at school because they had had to begin working early.

Further impetus for the emergence of nonprofits resulted from the student uprisings in 1968. The youth criticized all forms of authority and especially statism, state control, and the "consumption society." A new spirit of individualism within the baby-boom generation gave rise to new fields of advocacy among nonprofits: feminism, birth control, environmental defense, aid to Third World countries, defense of human rights, immigrant mainstreaming, and others. These ideological trends influenced the delivery of human services as well.

From the 1960s on, with constant economic growth and demographic and socio-cultural

changes, civil society appeared to be more eager to initiate the provision of diversified services to specific parts of the population. The 1960s and 1970s were also a time of institutional and political debate, and of the emergence of *laissez-faire* ideologies questioning the advantages of a state-centralized policy in every public field. Paradoxically, these critics of the welfare state came mainly from some socialist circles belonging to the so called "Second Left." They denounced centralization, the inefficiency and waste of public human services, the weight of bureaucracy, and, most of all, the inadequacy of public procedures to cope with new or evolving needs (Rosanvallon 1981, 1995; Ullmann 1998).

<H2>The Mitterrand Years (1981-1995): An Accelerator for the Nonprofit Sector

The ideas of the "Second Left" were implemented when the socialist government of Mitterrand was elected in 1981.[g] The decentralization acts passed in 1982−1983 redistributed the responsibilities between the national state and local governments. New human service delivery activities and new resources were transferred to the local governments. As local governments were not equipped to deliver human services, and because the political philosophy had changed as well, local governments contracted out the bulk of the services that they could not provide directly. This gave rise to a significant expansion of local government-nonprofit partnerships in the provision of a wide array of services targeted to particular groups of the population.

This expansion of government-nonprofit cooperation was also fuelled by growing social problems in the 1980s and into the 1990s. Included here was the marked rise of unemployment, and especially the beginning of long-term unemployment that led to the loss of social protections and to social exclusion. In response, many new nonprofits were created to provide "insertion through work," while other nonprofits advocated against racism and all kinds of gender, sexual orientation, or ethnic discrimination. Along with the appearance of various

"without borders" professional groups such as *Medecins sans frontieres,* the result was a surge in nonprofit formation. Between 1980 and 1985 alone, for example, the annual creation of nonprofit organizations jumped from 30,000 in 1980 to 50,000 in 1985. And this development continued into the new millennium with a surge in culture associations, organizations designed to integrate youth and drop-outs through sports and culture, and home care and other "proximity services" responding to the needs of the growing elderly population.

In short, France has recently undergone a revolution of sorts in its social philosophy. Until the 1980s, France remained in the grip of the French Revolution's "Jacobin" philosophy holding that the national state held a monopoly on the definition and pursuit of the public benefit, and that it, and it alone, was responsible for delivering human services and ensuring that they were providing equally for the whole population. With the passage of the decentralization laws and the growth of government-nonprofit cooperation at the local level in the early 1980s, the political discourse and the operational realities changed dramatically. By the mid-1980s and beyond, little daylight was left between claims by politicians on the right that, as Chirac famously stated, "[t]he state and the public authorities do not have a monopoly of the public good," and those on the left that, in Jospin's famous words, believed that "the state cannot do everything."

<H1> The Tools of Action in Government-Nonprofit Relations

While the changes introduced in the 1980s opened new arenas of social welfare policy and new modalities of operation, it hardly completely replaced the pre-existing Jacobin system. Under the Decentralization Acts (1982−1983), new activities and new resources were transferred to the local governments, but the core Social Security system remained centrally operated. What is more, some significant differences survived in the handling of different types of social

services. Thus, for example, residential establishments, even those run by nonprofit organizations, are more or less quasi-public and are seen as such by the beneficiaries. Their level of government financing is very high and they are heavily regulated by state procedures. On the other hand, social work activities without accommodation (SWAWA) have more diversified resources and less extensive regulation, and are therefore more independent of thestate.

Considerable diversity also surfaced in the tools of action deployed in government-nonprofit relations. Some tools act on the supply of human services, and therefore on the providers, while others on the demand, mainly by raising the resources available to potential clients. Left wing governments prefer the first ones and Right wing governments the latter ones. Because of the political alternation and the tendency to add programs and laws without suppressing the existing ones, supply-side and demand-side tools coexist in France and they will be examined with the pros and cons of different stakeholders.

<**H2**>The Recent Shift from Grants to Contracts in a Context of Neo-Managerialism

From the 1960s on, the general pattern in France in the field of human services is one in which the state provides the standard and basic services directed toward the entire population and nonprofit organizations cope with more specific social needs or provide services to targeted populations (e.g., persons with disabilities, long-term unemployed, homeless). The state at its different levels delegates to nonprofits the deliveryof personal and specialized services directed toward minority groups and socially endangered populations, as well as responsibilities for responding to new, less defined, and highly specialized social needs, especially those involving moral support for socially disadvantaged populations and family relations. But the government or the social security system almost always provide the bulk of resources through grants and

subsidies that vary in form according to the recipient. Thus, for example, assistance is provided:

- As grants on an annual basis for culture organizations and small SWAWAs;
- On a contractual basis over several years for private nonprofit schools and large SWAWAs;
- As third party payments by the health insurance component of the social security system—though the basis of these payments changed in 2008 from annual grants to pre-set payments determined by the social security based on the precise medical procedures carried out (*tarification à l'activité*); and
- Residential care facilities are paid by social security or the central government on a per diem basis (number of residents x length of their stay in the facilities x price of a day of care). The per diem is negotiated every year between the two partners to reflect the actual costs of the past year.

What are the advantages and drawbacks of grants and contracts for the respective parties? For the nonprofit organizations, grants and subsidies, especially when they cover several years, provide trust and security and the possibility to plan development and to innovate. The main drawback is the absence of competition and the risk of bureaucratization and resulting heavy overhead costs. For the central and local governments, grants can be politically attractive since employees and volunteers of nonprofit organizations delivering human services are also electors. In addition, the costs of services delivered through nonprofit organizations are generally lower than those directly provided by the state (Lanfranchi and Narcy 2008). Engaging nonprofit organizations is also a way to avoid expanding public employment, which is already very high in France. The drawback for the government is that it has no control over the results. In addition, recurrent or multi-year grants may lead to unexpectedpublic deficits. Also problematic have been some false associations that were created by the Right and Left

governments to reroute public money into financing political campaigns.

In response to such drawbacks and scandals, the European Union has urged countries to shift from outright grants to competitive contracts during the last decade. Under this arrangement, the central or the local governments define the quantity and the quality required in the delivery of a particular service and allocates the resources to the lowest bidder. For the government, this is a way to prevent the charge of favoritism or misuse of public money and to reduce the cost of human services and therefore the public deficits. The drawback is the standardization of the services, the lag between the tender and the actual supply of human services, and the bureaucratic burden for the organizations that bid. Smaller nonprofit organizations lack the qualified staff to fulfill the tender forms while the larger ones criticize this "Anglo-Saxon" process as reducing their initiative and innovation and making them either subsidiaries of the public powers or businesses. In addition, this project-oriented competition often does not finance organizational overhead costs.

<**H2**>Loans, Loans Guarantees, and Social Investment

Loans and loans guarantees are linked mainly with the capital expenditures of nonprofit organizations—construction, rehabilitation, or renewal of residential estate or other facilities—and not with current expenses.

Associations, as noted above, have significant limitations on their legal capacity.[h] Nonprofits have limited access to equity capital due to their inability to share profits with investors. Their access to borrowing in standard banks is uneasy with the exception of cooperative banks. However, the *Caisse des dépots et consignations*, a quasi-public bank that gathers and invests the money on savings passbooks, and, to a lesser extent, receives legacies while waiting for their division between heirs, has a specialized department to help nonprofit

organizations and other social enterprises generate capital. A minor role is to lend money to the organizations with cash shortages to prevent bankruptcies. This department advises nonprofit organizations in difficulty as well.

Loan guarantees are given either by the state, local governments, *Caisse des dépots et Consignations*, or foundations. The 2014 Law on Social and Solidarity Economy will give nonprofit organizations acting for the public benefit an automatic loan guarantee from the state.

Loans and loans guarantees are not used by the bulk of French nonprofits because the smallest ones do not consider themselves as enterprises and prefer financing their equipment from cash-flow. They behave like French households that are less in debt than many of their European equivalents. However, large organizations behave like enterprises. Lending to nonprofit organizations is therefore an emergent market for banks, but the cooperative banks were first and they are eager to preserve their market share.

Socially responsible investment and solidarity-based saving are more recent tools, emerging during the last two decades. In France, socially responsible investment refers to practice on the part of institutional investors such as the *Caisse des depots et Consignations* or the cooperative banks, mutual societies, life-insurance companies, or congregations, to select their shares in corporations not firstly on their financial performance, but mainly on their social and environmental impact. This includes both negative and positive screening. Solidarity-based saving is collected by companies on employee savings,[i] if the employee decides to devote a percentage of this saving to a solidarity purpose, or by banks on dedicated securities. These savings are then invested in social enterprises or in nonprofit organizations. The saver can target one or several nonprofit organizations. This solidarity finance, which relies on positive screening, has grown rapidly since 2008 because of the criticisms of the banks' behavior in France and elsewhere. However, according to representatives of Finasol[j], the French social investment website, solidarity-based saving—more than 1 million savers and some US$7

billion in 2014—is only about 0.2% of the very large French savings and therefore it may have substantial room to grow in the near future.

Crowdfunding, which uses the Internet to match nonprofit organizations or social enterprises with savers, is also an emergent tool.

<**H2**>Tax Expenditures

Associations and foundations are exempted in most cases from the three taxes on businesses: tax on corporate profits; value added tax; and local property tax. However, they do pay a payroll tax. To decide if an organization has to pay the three corporate taxes, the tax authority applies the following criteria in the following order:

1. Is the presumed nonprofit organization really non-profit-distributing? If not, it is taxed.
2. Is the organization in competition with standard businesses? If not, it is exempted.
3. Is the organization providing the same "product" (or service) as standard enterprises to the same "public" with the same "prices" and the same "publicity" (rule of the 4Ps)? If one of these Ps is different, the organization is exempted.

Since the implementation of this rule in 1998, which followed long discussions between the tax authority and the representatives of the nonprofit sector, there are no longer claims of unfair competition by the business sector and the bulk of nonprofit organizations are tax-exempted. In the field of human services, elderly homes and some youth residential facilities are the only organizations to pay taxes.

Tax expenditures to enhance individual and corporate giving are very generous in France. These tax expenditures have grown dramatically since 1996. The organizations that are acting in defined public-benefit fields receive donations that are eligible for the following tax exemptions:

- For contributions of donors to all nonprofit organizations: a credit against taxes owed of 66% of the donation, with a cap of 20% of income. To enhance the creation of foundations, the donation over the cap can be deducted over the following 5 years.
- For contributions to foundations only, except corporate foundations: a tax credit of 75% of the donation against the property tax (*Impôt sur la fortune*)paid by the wealthiest part of the population, with a cap of US$65,000.
- Legacies to public-interest nonprofit organizations are totally exempted from the inheritance tax.
- Corporate giving, directly or through corporate foundations, receives a tax credit of 60% of the amount of the donation with a cap of 0.5% of the turnover.

These tax expenditures are more efficient for corporate than for individual donations. Despite the fact that, since 2009, the new alleviation of *Impôt sur la fortune*has had great success, French individuals increased their generosity by the exact increase in tax expenditure and their true generosity remains limited (Facq and Landais 2009). However, the exemption of inheritance tax for contributions to nonprofit organizationshas been linked with more legacies in the last decade, and since 2003 the creation of foundations has been more rapid than previously. Corporations were more responsive to the growth of tax expenditures and they created many corporate foundations that are new actors in the nonprofit landscape (Archambault 2003).

<H2>Vouchers or Equivalents

Vouchers are a way to increase the income of the client or beneficiary of a human service. They are therefore tools on the demand side of the human services quasi-markets, as opposed to the preceding tools acting on the providers, or the supply side. In France, vouchers are given

to the frail elderly and the disabled mainly to pay for residential care, home care services, or specialized devices (*Allocation personnalisée d'autonomie* for the elderly; *Allocation de compensation du handicap* for the disabled). These vouchersvary according to the income and the degree of dependency of the elderly and the disabled. It is paid either directly to the person if he/she stays at home, and can be used only to buy care services in the home, or to the residential facility if the person is institutionalized. These vouchers are paidpartially by the state and mainly by the *departement.* Vouchers also pay for holiday camps for children and their families (*cheque vacances*). These vouchersare amix of public money, corporate money of the employer, and savings of the household itself.

In addition, fees for human services often vary according to family income as is the case for day care of young children or holiday camps for youth.

The benefits of vouchers are mixed: on the one hand, a voucher gives to the client the opportunity to choose his/her provider and therefore enhances competition among the providers; on the other hand, if the person is mentally frail, the choice is done by others and some embezzlement can happen.

<H2>Public Regulation

The large-scale delegation of responsibilities in the field of social services to nonprofit organizations has been accompanied by various regulations related to the creation, costs and activities (standards of quality, qualification and recruitment of employees, etc.) of nonprofit establishments. This field is indeed one of the most regulated areas of activity in Franceas nonprofit organizations are filling a public "social mission" (*mission de service public*).

Different kinds of procedures allow the state to establish general regulations in this field:

- As part of the general social security scheme, social establishments are subjected to a

process of authorization, called *habilitation*, involving an a priori control of their project and its feasibility, and then leading to state financing (*accréditation*);

- The majority of the nonprofit organizations active in this field also have to receive an agreement (*agrément*). The agreement is, first, a kind of official recognition of the quality of activities performed in special fields; but overall and very often, these activities are possible only if the organizations carrying them out receive this agreement. This means that the organization has been given a kind of monopoly by the state to perform certain state-authorized activities that other organizations are prevented from carrying out, such as residential care for the elderly. "Agreed organizations" receive a variety of advantages. They are entitled to automatic (and automatically renewed) access to public funding covering almost all expenditures involved in running the establishments, either through per-diem reimbursements or through global grants. Global grants are distributed to establishments which are under the responsibility of the state, and per-diem reimbursements are provided to organizations supported through the social security system. Finally, the agreement allows some associations to bring actions before court for causes related to their aim—a very special exception to the French legal principle that no one is allowed to advocate somebody else's cause before a court.

In return for these advantages, however "agreed associations" must accept strict avoidance of the conflicts of interest and financial solvency conditions. Similarly, special statutes and by-laws have to be accepted by the membership and, in some cases, members must accept Ministry designation of the President and some members of the board. So, too, the books, the activity, and the general operation come under the control of the state administration (*Inspection générale des affaires sociales*, *Cour des comptes*). In short, the association becomes a kind of mixed entity, half private and half part of the public administration. In other words, for these residential care nonprofit organizations, the

fundings are quite routinized, even during financial crises; but on the other hand, these nonprofit organizations become agents of the government (Archambault and Boumendil 2002).

<H1> The Nonprofit Role in Policy Formulation

Nonprofit organizations have recently played a leading role in the definition of social policy in France where the attitude of the state has been that of letting the existing organizations organize the field to restrict the costs, and then taking on the funding responsibility. For that reason, one can assume that this field corresponds to the "partnership type" of relationship between the state and nonprofit organizations, defined by Salamon (1995). But the state always gives the final coherence to the policy. By virtue of their role as implementers of social welfare programs, nonprofit organization leaders acquire very specialized skills that the Government and the Parliament cannot have because they are multipurpose—so a tight collaboration helps. As noted below, this can range from virtual co-construction of a public policy to the mere exercise of influence.

<**H2**>Co-construction of Public Policy: The Laws on the Disabled – 1975, 2002, 2005

As noted above, in the 1960s, children and adults with disabilities were mainly institutionalized in very specialized facilities created by their organizations. In the 1970s, after some claims of ill-treatment, the government decided to legislate. After two years of discussion with the representatives of the two main organizations (*Association des paralyses de France* for physical and *UNAPEI* for mentally disabilities), a 1975 Law formulated the above described regulation on the facilities intended for the persons with disabilities. After the same

consultation, a 2002 law clarified the rights of persons with disabilities in a residential facility and in ordinary life as well (a few years later the same rights were formulated for patients inside hospitals). Finally, in 2005, the 1975 Law was revised in partnership with the same nonprofit organizations: persons with disabilities were guaranteed a personal right to compensation for a variety of dedicated human services (the above described voucher *Allocation de Compensation du handicap*) in addition to a money allowance (*Allocation pour adulte handicapé*) that all the persons with disabilities receive.

Another example of the co-construction of policy between government and nonprofits is the role that the main charities acting for the poorest played in the development of the *1998 law on exclusion* and its recent up-date. More recently, there was a two-year long preliminary discussion of the law on Social and Solidary Economy with the representatives of cooperatives, mutual societies, associations, and foundations before the law was adopted in July 2014.

<H2> Increased Policy Experimentation

As a centralized country, France has a principle of equality on the whole territory that makes it difficult to experiment with public policies on a part of the territory. But this experimentation is possible through nonprofit organizations. The best example is the Law guaranteeing a minimum income. Official passage of this law followed a long-term de facto cooperation between nonprofit organizations and public authorities, especially in employment policy and health and social activities. Associations helped employment policy by running, with significant public financing, job-training programs, especially for unskilled workers. From 1984 to 1987, nonprofit organizations involved in the poverty plans met with local government officials and social housing managers to develop a more durable poverty policy in the form of a guaranteed minimum income. In deprived industrial areas, such as the Northeastern part of

France, the third sector cooperated with local government to provide help and income support to the unemployed new poor. The Wresinski[k] report, adopted in 1987, was the fruit of this experimentation and laid the foundation for the draft of the 1988 minimum income for integration (RMI) policy. The Wresinski report recommended the extension of local experiments of minimum income with the participation of nonprofits to enable the poor to join the mainstream and asked for "a tight collaboration between various partners engaged in the fight against poverty."

More recently, we can also observe that the new "helped jobs" to fight youth unemployment, *emplois d'avenir,* originated in nonprofit organizations before their legal implementation—and now nonprofit organizations are explicitly identified as potential employers for these new contracts. Another example is afforded by associations working on immigration issues. In recent years, they have developed literacy and adult training programs, school help to the children of immigrants, sports clubs and recreation clubs, Muslim activities, education and mutual help for women, legal assistance, and aid for administrative problems. Local government encouraged the creation of such nonprofit organizations with in-kind and financial support when such organizations were nonexistent, and this pedagogic experimentation was acknowledged by official diplomas.

<H2> Other Forms of Involvement of Nonprofit Organizations in the Definition of Public Policies

Nonprofit organizations have also influenced public policy through other channels as well. For example, some nonprofit leaders, such as Bernard Kouchnerand Martin Hirsch, became Ministers. Owing to their former experience, these civil society leaders initiate laws in favor of the nonprofit sector—such as the 2010 law on the civic service, which gives to a part of the

unemployed youth the opportunity to "volunteer" from six months up to two years in a public interest organization or public agency and to be paid half the minimum wage by the state.

The High Council of Associative Life (*Haut Conseil de la Vie Associative*), a body grouping high-level leaders of the large nonprofit organizations and representatives of the concerned administrations, has to be consulted on every law or decree having an impact on the nonprofit sector. The same kind of consultation exists for the official statistical data on nonprofit organizations and other social economy enterprises, a new statistical field for the French statistical office (INSEE).

There are also regular consultations by the Parliament with actors and experts from the nonprofit sector on how to improve existing and contemplated laws. Nonprofits have also recently been collaborating with the administrations that fund them to build the tools of evaluation of their actions and the public policies that affect them. Finally, a Charter of reciprocal commitments was signed by 14 nonprofit leaders and 14 Ministers on the occasion of the centenary of the Law of 1901 on associations.[1]

<H1> Key Issues in Government-Nonprofit Cooperation in the Provision of Human Services

<H2> Accountability and Transparency:Legal Obligations but No Efficient Public Control

All nonprofit organizations, in principle, have to publish annual financial statements and discuss them during the annual general meeting of their members. The board also has to present a substantive report on the activity of the past year. These documents have to be published on the organization's website—but many organizations do not do so, and many have no websites. For nonprofit organizations with an income over US$198,000, the accounts must be checked

by an external certified auditor. For organizations funded by charitable donations, the accounts must be presented according to a template showing how the donations are used and the sources and origins of the contributed revenue. There is no ceiling on overhead and fundraising costs or reserves, but these are key points for the control and monitoring agencies whether public or private.

The public a posteriori control is done either according to the field of action of the nonprofit organization (e.g., *Inspection générale des affaires sociales* for social services, *Inspection de l'éducation nationale* for education services), or in a more general way by a special public body, the *Cour des comptes*, and its regional subsidiaries, the *Chambres régionales des comptes.* But the *Cour des comptes* controls in depth only 3 or 4 large fundraising organizations each year and that is why private for-profit or nonprofit organizations of control mushroom.

<H2>Consequences of the Shift from Grants to Contracts on the Traditional Functions of Nonprofit Organizations

The recent appearance of bidding contracts has created a hard competition among nonprofits and between nonprofits and businesses, especially in the fields of retirement homes and home services. The competition among nonprofit organizations eliminates the smaller ones that have no time and no staff to fulfill the forms and compete with success. The shift to contracts therefore leads to the concentration of the nonprofit sector. This has some benefits in a country with so many small organizations, but there are two risks: on the one hand, nonprofit organizations may be confined to unprofitable activities, as the commercial companies cream the market for the rich or the less disabled, and let the nonprofit organizations handle the assistance to poor people; on the other hand, nonprofit organizations could be tempted to select

the solvent clients, or the powerful groups of clients, to the detriment of equity. These risks of creaming exist in other fields and are worrisome in a period of deep social exclusion and increased poverty (Archambault and Boumendil 2002).

A new dilemma appears with the great recession beginning in 2008 in France. The impact of the financial, economic, and social crisis on the French third sector is very hard with a scissor effect: more social needs and poverty and less public funding. During the 2008-2011 period, the reduction of grants and contracts paid by the state was compensated by the regions, the *départements*, and the local communities. But now the local governments no longer compensate the retrenchment of the state because all the levels of government have deficits. Donations remain flat despite more generous tax incentives. Increasing fees and other commercial resources contradicts the aim of the largest part of nonprofit organizations. For the first time since WWII employment in the nonprofit sector stopped growing in 2011 and 2013 (ACOSS 2014), and in some fields, such as culture or home care, some nonprofit organizations began to go bankrupt. Will it be the end of a success story?

<**H2**>Advocacy or Bureaucracy?

Confronted with strong public regulations in terms of accountability and technicity, nonprofit organizations asking for public money are subjected to a bureaucratic isomorphism (Di Maggio and Powell 1993; Enjolras 1996). Some have become professional organizations and rely less on volunteers. Financial dependency on public financing can also be a source of inertia, as some of nonprofit organizations have turned out to be as institutionalized and as rigid as the public bureaucracies. Their capacity to react to new situations is sometimes low, and their advocacy role is declining. But one has to say that there is no automatic link between the size of public financing and the degree of autonomy of the nonprofit organization.

Once again, the evolution of the associations of people with disabilities can serve as examples of the impact of these pressures. Although they were based on advocacy and

volunteer participation in the 1950s, the majority of nonprofit organizations in this field are now quasi-public organizations, and their main concerns are linked with management. There is today no tendency for the self-help groups to increase their membership, as the rights of people with disabilities and their interests are well protected. Moreover, the search for group identity, initially at the root of these movements, now seems to have almost disappeared. Therefore, the democratic base of these establishments is sometimes quite small. Because of the decline of volunteer participation, and decrease in member attendance at general meetings, these establishments have also become disconnected from their members and sometimes feel at a distance from family preferences and users' rights to the detriment of equity (Bloch-Lainé 2010; Laville 2010).

Roughly speaking, the provision of services is sometimes considered to be inconsistent with the advocacy role by nonprofit leaders themselves; that is why we generally observe a kind of specialization among nonprofit organizations—the organizations managing residential facilities create some branches whose aim is advocacy and nothing else. These advocacy organizations have their own ways of financing, through donations and grants.

<H2>Stability or Innovation?

The innovation function of nonprofit organizations is linked to their capacity toreact rapidlyto a changing environment and to afford non-bureaucratic solutions to new social issues. Nonprofit organizations surface unmet needs that cannot be addressed through the market and find ways to cope with them, as they are deeply rooted in local communities. Nonprofits also have the capacity to approach problems in a holistic fashion, contrary to the administrations, which compartmentalize policies: employment, income, health, social and family position, housing, education, and skills. But innovation is often a characteristic of young associations, and if they

manage to obtain important public financing they become more bureaucratic and less innovative

Examples can be found in many fields: for example, “insertion enterprises” produce goods or services in sectors overlooked by businesses, and at the same time, they supply temporary jobs and training to people in social difficulty, such as unskilled young people, potential or former delinquents, and drug addicts. These associations participate in the public policies against social marginalization in the town suburbs, but if the local governments are their unique client they behave as businesses and became less innovative.

Once again, it is very important in the analysis of the role of nonprofit organizations in terms of innovation to separate residential care facilities and the other social services. The building-up of institutions has been both a source of innovation and paralysis. There is now a tendency against institutionalization, which is considered a way of imprisonment. These kinds of organizations limit innovation because their main aim becomes to survive as an institution. Bloch-Lainé (1994) insisted on the ability of the association to be short-lived and therefore less institutionalized and more able to give impetus for social change than public agencies. This is all the more important as France is a very bureaucratic country.

<H2>Professionalization or Volunteering?

The early secularization of social services in France was accompanied by a movement toward professionalization, which is still under way. Nearly all the professional careers in the social service field began as volunteer activities. The first social workers, before and during the first World War, were single, middle-class, Catholic, volunteer women. After the war, the qualifications of these women were acknowledged, they received social visibility, and new professions, professional organizations, vocational education programs, and specific diplomas

were created. One of the most innovative roles of volunteeringis indeed to initiate and experiment with new types of jobs and to create new skills, especially relational skills, which are becoming more and more important on the labour market. For instance, being a former alcoholic, drug-addict, or prostitute qualifies the volunteer to fight against these social diseases and assist the victims; of course, this kind of qualification is not written in curriculum vitae for the labour market. Indeed, this role of prospecting new jobs is essentially played by volunteers, and then by the wage earners of nonprofit organizations. Thus, volunteer nurses and nuns became salaried nonprofit employees. But public financing is also partly responsible for this movement towards professionalization, since it requires understanding of the financing processes, preparation of regular reports, negotiation for the funds and so on. Finally, the initiative for the creation of nonprofit organizations has also come sometimes from professionals who wanted to create their own jobs.

Generally speaking, volunteers are now rarely involved in the management of residential care establishments since agreements and contracts impose professional skills. In these organizations, volunteer involvement is limited to participation on the board of directors or to visiting the residents. But volunteers are still very active in advocacy organizations or smaller organizations, such as those dealing with the rare illnesses and defending research on these so-called “orphan diseases.” Three quarters of the time, of voluntary workers go to associations without paid staff (Prouteau and Wolff 2004; Tchernonog (2013); Prouteau and Wolff 2013; Flahaut and Tabaries 2013).

But we cannot speak of the end of volunteerism, even in staffed nonprofit organizations. Indeed, surveys show that volunteering and employment of professionals develop concomitantly in the field of health and social services; in 2011, the hours of volunteer work in these two fields represented about 25% of total volunteering in France, or about 266,000 FTE employees (Prouteau 2013). That is much more than twenty years earlier—the ratio of

volunteers to professionals is even increasing. But volunteers are involved in management, co-ordination, contact with the public powers, and representative activities as board or committee members in large organizations, while they are more multi-purpose in smaller organizations.

<H1> Conclusion

France shares with Russia a long-standing tradition of centralization and monopoly of the government in the delivery of human services and in the definition of the common good. However, since the 1960s, this monopoly was step by step eroded in France by the growing difficulty to provide and finance more human services—longer schooling, more training, more health care to a population living a longer life, and multiple social services for ever more varied "social cases" and for a population diversified by immigration. It was also challenged by the impossibility of increasing the already too-high number of civil servants and other public employees, the criticisms of the too-bureaucratic and sometimes inefficient public services, and finally the necessity to decentralize the public powers to meet the more common Western European pattern inside the European Union. That is why the Jacobin tradition, deeply rooted in the French administration, was progressively supplanted in a large part of the political parties and public opinion, giving rise, among other things, to the an expanded pattern of government-nonprofit partnership. This progressive privatization of the delivery of human services was more oriented towards the nonprofit sector than the market because, at the same time, a more educated population desired to cope with the new social issues with innovative projects, and nonprofit organizations offered a convenient way to achieve this. The volunteers and employees of the nonprofit sector also prefer this sector's democratic and participatory governance pattern over the very hierarchic governance inside the public and business sectors. While far from perfect, the result is a productive collaboration between government and

nonprofit organizations that has generally served the country well. As Russia and the countries of Central and Eastern Europe, as well as farther east, confront similar challenges, they may therefore find in the French experience some useful lessons that could be adapted to their own circumstances.

Notes

[a]This article was prepared within the framework of a subsidy granted to the National Research University Higher School of Economics, Russian Federation by the Government of the Russian Federation for the implementation of the Global Competitiveness Program. None of the organizations with which the author is affiliated or that have supported her work bears any responsibility for any errors or views expressed here. That is the author's own responsibility.

[b]Three levels of elected local governments exist in France: the roughly 36,000 *communes,* or municipalities; the *96 départements*; and the 22 *régions*. Now the possibility of suppressing one level (the department) and merging régions and communes is on the apolitical agenda to simplify the administration and reduce its cost.

[c] The statistical knowledge of the nonprofit sector was nearly non existent three decades ago (Archambault 1984). The Johns Hopkins Comparative Nonprofit Sector Project Phase 1 and 2 supplied the first complete data for the benchmark years 1990 and 1995-2000 (Archambault 1997; Salamon et.al. 1999). Then, other scholars made repetitive organization surveys (Tchernonog 2007 and 2013) or built a satellite account of nonprofit institutions (Kaminski 2005; Archambault and Kaminski 2009). It was only in 2005 that INSEE, the French statistical office, decided to build annual empirical data on the social economy and to launch a first survey on nonprofit institutions in 2014 (Archambault et. al. 2010).

[d] In a country with an inflationary production of laws, there are few examples of laws over a

century old.

[e] Conseil d'Etat is the highest court for public law conflicts.

[f] The "school war" between Catholic and "without God" schools has indeed been constant in France throughout the 19th and 20th centuries, but it has been declining since the 1960s when the Catholic schools signed contracts with the State.

[g] Pierre Mauroy and Michel Rocard, two Prime ministers of Président Mitterrand chaired two of these "Second Left" circles before 1981 (Loi cadre ESS 2014).

[h]This limited legal capacity will be replaced by a full capacity for public interest nonprofit organizations when the 2014 Law on Social and Solidarity Economy is implemented.

[i]The employee savings plans allow employees to be financially associated with the proper functioning of their company and/or to constitute a savings by means of one. One third of employees choose enter into such plans.

[j] See http://www.finansol.org/ for more information about this organization.

[k]Father Joseph Wresinski was the very charismatic founder of *ATD-Quart-Monde*, a charity fighting extreme poverty in which the volunteers commit themselves to live several years where and how the poor live.

[l]After the changing of the political majority in 2002, this Charter was not implemented. Recently, this Charter was updated and declined by the regions.

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Table I

Nonprofit establishments with staff and nonprofit employment, by field, France, 2012

Field	Nonprofit establishments with staff	Employee headcounts (thousands)	FTE employees (thousands)	% of nonprofit FTE
Social services	33,236	913	746	46.9%
Education, training, and research	20,698	338	287	18.1%
Health	4,656	173	147	9.2%
Culture, arts, and performances	57,428	110	95	6.0%
Other sectors (including sports and recreation) and n.e.c.	72,745	352	315	19.8%
TOTAL	**188,763**	**1,886**	**1,590**	**100.0%**

Source:INSEE-CLAP, Tableaux harmonisés de l' Economie sociale, 2012.

Methodological note: Nonprofit organizations include associations and foundations and the nonprofit health and social establishments run by mutual societies (about 1,300). Most nonprofit organizations have only one establishment. According to an agreement between INSEE and CNCRES to define the scope of social economy it does not include worship organizations, political parties, labor unions, and business and trade unions despite their legal status is association.

Table II

Structure of employment in human service delivery, and in the overall economy, by sectors, France, 2011

Field	Share of employment by sector			TOTAL
	Private nonprofit	Other private	Public	
Social services	62%	10%	28%	100%
Culture	27%	37%	36%	100%
Education	19%	5%	76%	100%
Health	12%	23%	65%	100%
Social services	62%	10%	28%	100%
Employment in the whole economy	**7.5%**	**67%**	**25.5%**	**100%**

Source:INSEE-CLAP processed by CNCRES 2014.

Methodological note: "Other private" includes cooperatives and mutuals, which are companies with limited profit and democratic governance. Along with associations and foundations, these organizations are components of the social economy (10.3% of total employment). As INSEE-CLAP data include only staffed organizations, the part of the public sector is overestimated in the field of health compared to "other private" because there are many self-employed in this field (doctors, independent nurses, etc.).

Table III

Structure of funding of private nonprofit education by level and type of funder, France, 2012

Type of nonprofit education organization	National government	Local governments	Other (family, enterprises, Chambers of Commerce, etc.)	TOTAL
Primary education (n=US$4.4 bn)	51.6%	23.5%	24.8%	100.0%
Secondary education (n= US$11.5)	66.7%	9.0%	24.3%	100.0%
Tertiary education (n=US$1.7 bn)	9.7%	15.3%	75.0%	100.0%
TOTAL (n=US$17.6 bn)				**100.0 %**

Source:Ministère de l'éducation nationale, DEPP 2013.

Table IV

Structure of hospital field, France, 2012

	Percentage of hospitals (N=2,710)	Percentage of beds (N=416,710)
Public sector	35%	63%
Nonprofit sector	26%	14%
For-profit sector	38%	23%
TOTAL	**100%**	**100%**

Source:INSEE Tableaux de l'économie française, 2013.

Table V
Structure of funding of health services field, France, 2010

	2010
Social security	75.8%
Central government (for the poorest)	1.2%
Complementary insurance	13.6%
Mutuals and other nonprofit insurance	*10.0%*
For-profit insurance corporations	*3.6%*
Patients	9.4%
TOTAL	**100%**

Source:INSEE Tableaux de l'économie française, 2013.

Table VI
Role of the nonprofit sector in the delivery of social services, by sub-field, France, 2011

	Percentage of establishments	Percentage of FTE employees
Sheltered workshops	91.7%	93.7%
SWAWA for disabled children	90.6%	91.7%
Home care	58.6%	75.7%
SWAWA to disabled or elderly adults	83.6%	72.2%
Residential care facilities	60.2%	52.7%
SWAWA for children or teenagers	62.2%	52.4%
Other social services	63.5%	49.1%
Day care for young children	50.9%	44.2%
TOTAL nonprofit sector	**62.1%**	**60.3%**

Source:INSEE-CLAP, processed by CNCRES, 2014.

Table VI

Nature and origin of funding of nonprofit social service and health organizations, France, 2011

Nature and origin of funding	Social and health service organizations	Humanitarian charities	Total staffed nonprofitsector
Private resources	39.0%	30.0%	46.0%
Membership dues	*1.8%*	*2.8%*	*8.7%*
Individual and corporate giving	*1.8%*	*16.1%*	*3.5%*
Payment of the client/beneficiary	*35.3%*	*11.1%*	*33.5%*
Public funding	61.0%	70.0%	54.0%
Municipalities	*7.5%*	*8.3%*	*10.9%*
Department	*22.8%*	*6.9%*	*14.0%*
Region	*0.5%*	*6.7%*	*3.9%*
State	*15.3%*	*14.1%*	*12.7%*
European Union	*0.1%*	*6.0%*	*1.3%*
Social Security and other	*15.0%*	*48.9%*	*11.5%*
TOTAL	**100%**	**100%**	**100%**

Source: Tchernonog, 2013.

Methodological note: Social service and health are not separate; because of the aging of the population, social residential care facilities are increasingly also serving as health providers. They welcome the whole population while humanitarian charities work for the poorest. Total nonprofit sector does not include the numerous smallest organizations with no staff.